

Minutes of the One Hundred Thirteenth Unified Carrier Registration Plan Board of Directors Meeting

October 13, 2016

Tele-conference

The One Hundred Thirteenth (113th) Unified Carrier Registration (UCR) Plan Board of Directors (Board) meeting was called to order by Avelino Gutierrez, Chairman at 2:00 pm EDT.

Attendance - Board of Directors:

Present – Avelino Gutierrez, Sandy Bowling, Woody Chambers, Tina Thurman, Larry Herold, Mike Hoeme, Daphne Jefferson, Elizabeth Leaman, Scott Morris, Bob Pitcher, and Monte Wiederhold.

Absent – Adam Anderson, Chris Burroughs, and Rick Schweitzer

Avelino Gutierrez conducted a roll call of the States with **self-introductions** of government and industry representatives made by those in attendance.

Avelino Gutierrez commented that Tina Thurman would be taking meeting minutes in the absence of Adam Anderson.

Scott Morris moved to accept the **meeting agenda**, which was seconded by Elizabeth Leaman (Exhibit A) – motion passed.

Woody Chambers moved to accept the **minutes for the September 13th 2016 Board meeting**, seconded by Sandy Bowling, (Exhibit B) – Motion passed with a few amendments.

Avelino Gutierrez established the **teleconference ground rules**.

UCR Legislative Update – No Update

FMCSA Update – Daphne Jefferson - FMCSA has received a recommendation to fill the UCR vacancy left by the retirement of Angel Oliver. They will be working with the administrator to wrap up the vacancy quickly.

Audit Subcommittee – Mike Hoeme - No Report.

Procedures/Best Practices Subcommittee – No Report.

Indiana System Subcommittee – Sandy Bowling – (1) Indiana will be emailing 394,202 UCR notices for 2017 UCR. These are all active carriers with a USDOT number that have an email address. States who do not want to be included in the email blast should contact Sandy. Three states have already contacted Sandy. (2) The Indiana system is experiencing a glitch with Business Credit vs. Debit cards. The glitch will be fixed by tomorrow morning. There also seems to be an issue with carriers who may be using Comdata credit cards. (3) The amount of UCR renewals this year vs. last year by state – Exhibit C. Total renewals in 2016 578,367 vs, 2017 501,685 for a difference of 76,682 as a result of inactivation of USDOT numbers. (4) Indiana has also sent the UCR postcard renewals for the non-participating states this week. The Indiana phone number is on the postcard renewals.

Industry Advisory Subcommittee – Bob Pitcher – The Industry Advisory Subcommittee plans to meet in person at the meeting in San Diego in February, 2017.

Revenue and Fees Subcommittee – Larry Herold – Larry questioned the status of the motions

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project and spreadsheet of the contracts of UCR Board that were discussed in the previous Board meeting. Len Shenk was absent but is still working on the project. Larry reported he anticipates the Revenue and Fees Subcommittee will meet the week of October 24 or October 31 to begin discussion of 2018 fees.

Dispute Resolution Subcommittee – Tina Thurman – The Dispute Resolution Subcommittee met on October 12 to continue work on development of procedures. The subcommittee continues to work on procedures and would like to have something to present to the Board in San Diego.

Monte Wiederhold questioned if Illinois is up to date on the fees they were behind paying to the UCR Board. Scott Morris responded that he believes they have made up the bulk of what they owed the UCR Board at this point. Scott hasn't had time to do a complete analysis but he feels comfortable with where we are. The big bulk of the delinquency was \$2.5 million for 2016. That money has been received and distributed to the states. This was the main concern.

Sandy indicated that payment is currently being held for the State of Pennsylvania as they are the only state that owes the UCR depository. Sandy encouraged them to resolve the issue as the Indiana system will be collecting a large amount of money for Pennsylvania soon and will continue to hold funds until the issue gets resolved.

Administrative Fee's Subcommittee – Elizabeth Leaman – Dave Lazarides and Liz had a conference call earlier in the week with the website developers, Iteris. They are in the discovery stage. Liz and Dave will tackle different items as to what the website needs are and what the frame work should be. Liz and Dave will be reaching out to each subcommittee chair to see what the needs of each subcommittee are.

Woody questioned what happened to the NARUC website where he used to be able to find the UCR Board meeting minutes. He hasn't been able to access it for months. Tina responded that the weblink has changed. Tina indicated she would email Woody the new link. The link is <http://ncsts.naruc.org/Minutes/>.

Woody also asked for a report of the amount of carriers per bracket per year since the beginning of UCR to be posted to the new UCR website when it is completed. Liz indicated that shouldn't be a problem.

Dave discussed several website action items from his meeting with Iteris. He discussed domain names. Scott indicated someone needs to contact GSA or someone at the federal level to find out if UCR qualifies as a .GOV or to simply begin the process. Dave also discussed what the name of the site should be and what our branding scheme should be. The UCR logo has been sent to Iteris. Dave indicated website discussions have been going very well.

Depository Subcommittee – Scott Morris – Reviewed the August UCR Financial Report – Exhibit D. The past few months there has been a tremendous amount of money going through the depository. We have made significant distributions for 2016. There are a handful of states who have not hit their caps for 2016, but the next few distributions should cover those. There are still issues with states not acknowledging and reporting revenue in a timely manner. This is an ongoing problem that is NOT isolated to one or two states only. Scott doesn't know what the ultimate solution is but this is a problem that affects our ability to run the depository. Should we

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consider a financial penalty for states that are tardy?

Scott and Dave met recently. There is not a resolution yet to the bonding issue. Scott does have a number of tasks that Dave can take over immediately. Dave will be coming down again in the next few weeks to work on the final 2014 invoices. The six states with their own systems will get 2014 invoices after they close out at the end of the year.

Monte Wiederhold made a motion that a financial penalty be imposed on states that are tardy in reporting and acknowledging to the depository. Avelino cautioned that unfortunately the statute isn't clear in regard to financial penalties for noncompliance. The statute is silent. There would be states that would be very much opposed and there would be some states that may be in favor. It may be difficult to get states to come to an agreement on this subject, although the UCR Board is the entity running the program. Scott Morris mentioned that the statute doesn't specifically authorize financial penalty, but it also doesn't prohibit it and this may be worth looking in to. Scott questioned Bob Pitcher and other Board members what their experience is with other programs and what steps they take with States who are not in compliance. Bob shared his IRP and IFTA experience. Bob stressed that a 'public shaming' or public embarrassment of sorts seems to work the best in his past experience. This will be an option when the UCR website is functional. Avelino indicated he would contact Scott after the UCR Board meeting to discuss which States are problems. Avelino offered to make contact with these States in an attempt to rectify the problem.

Woody Chambers seconded the motion. Discussion – regarding posting states on the web site for noncompliance. Avelino asked is anyone would have an issue posting states in a dead beat status. Larry Herold commented that he wasn't sure what the motion was at this point. Avelino responded that it is a little unclear – directs not sure who to look in to any penalties that may adhere to states that don't timely submit data or pay what is owed. Monte withdrew his motion.

Elizabeth Leaman questioned Scott Morris on the status of removing certain tasks from his work load. Scott responded that Dave Lazarides recently came to Alabama and they tentatively have identified a number of things. One of the big issues is Dave handling checks. Dave needs a bond or insurance to handle checks. They are still trying to find a product that will provide this coverage that is reasonable in cost that is something he can get or that the Board will procure.

Elizabeth Leaman asked Scott Morris on the status of insurance for the Board. Scott responded that he is still looking at that as well. He has talked with a local agent. This is one of those issues that will befuddle us and others because of the uniqueness of this organization. Scott has a lot of information that he needs to get together and provide to the agent so that he can get it to the underwriters. Scott hasn't had time to complete this task yet but he is working on it.

Old/New Matters:

Avelino Gutierrez brought up the status of the current contract between DSL Transportation Services, Inc. Dave Lazarides and the UCR Board. The contract between Dave Lazarides and the UCR Board expires later this month. The Board is currently putting together an RFP for the type of work that's needed near term and long term. So that there is no gap between now and when that comes together it is appropriate to contract with Dave for a six month contract and after that on a month to month basis. Avelino made a motion that the Board authorizes him to

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execute a six month contract with DSL on the same terms and conditions as the previous contract but a six month basis at the same rate of pay doing what the Board directs Dave to do. The motion was seconded by Larry Herold. Discussion – Bob Pitcher asked that a monthly written report be provided summarizing what has been accomplished in the preceding month without an increase in fees. Bob clarified that he was just asking for a summary of Dave's activity, not a log of hours also. The motion passed with no opposition.

Scott Morris brought up a few contracts that he has for services that are soon coming to term. Scott indicated that the contract he currently has for admin services has a typographical error where the contract only goes through the end of 2015 vs. 2016. Scott Morris made a motion to amend the contract termination date with Ms. Gilbert to reflect the termination date of 12/31/2016 instead of 12/31/2015 with no additional funds needed. The motion was seconded by Elizabeth Leaman. Discussion – Woody questioned what the amount of the contract was. Scott responded that he wasn't sure right now, but the amount was already approved and within Scotts administrative and accounting budget for this year. The motion passed with no opposition.

Sandy Bowling requested an update of Scott Morris regarding a motion from last month's UCR Board meeting where the Board passed a motion to have a document created that contains all contracts, amounts and terms currently agreed upon by the Board. Scott indicated he is not working on that document and that Adam Anderson is working on it. Scott indicated he has sent some info to Adam but they have been working on other items also. In addition Adam has been busy working on his certifications.

Sandy Bowling mentioned that she has hired two contractual people for 15 weeks to assist with the seasonal UCR workload. One of the contractual people has already quit. She is looking to replace that person with hopes of having someone else by Monday.

Iteris UCR Universe Document – Dave Lazarides reported on difference between the Iteris UCR Universe and the UCR Board Universe – see Exhibit E. Iteris is using the 24 month version of inspections vs. the 15 month version. The 15 month version is what the UCR Board has voted on and approved. Sandy brought up that Brokers and Freight Forwarders will have to have separate criteria when they are issued USDOT numbers because they will not have crashes or inspections. At this time, the UCR Board prefers not to take any action in changing the Iteris reports back to the UCR approved universe of 15 months.

Scott Morris mentioned that last month a motion was passed for travel money for Dave Lazarides to travel to Alabama. Scott indicated that at some point it may be more advantageous to meet somewhere in-between Alabama and Illinois or even possibly in Indianapolis. Scott asked if Avelino would amend the motion. Avelino moved that the Board authorize the travel funds that have been allocated to Scott and Dave for the purpose of meeting to meet in any location that they mutually agree upon that is convenient to them. Seconded by Scott Morris. The motion passed with no opposition.

Tina Thurman mentioned a new third party service that has surfaced that is sending an invoice to carriers that includes the UCR fee plus the third party service fee. The concern Tina voiced is that the third party service only seems to consider registration years paid that were paid through the Indiana system. All UCR transactions completed through the Missouri state system are being uploaded to FMCSA, as required. Missouri is working to send out notifications to MO

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based carriers trying to get correct communication out to carriers. Tina stressed that other States with their own systems need to be aware and prepared for these letters to hit in their own states. Mike Hoeme indicated that Kansas based carriers were getting the letters too. Monte Wiederhold asked if this is really a legitimate company? Sandy indicated she is waiting to see if a transaction from this company really comes through as paid. At this point we haven't seen any transactions, but we assume they are a valid company. Sandy indicated that FMCSA has also contacted her regarding this company. The letter the company is sending out has incorrect info on it. The letter say (1) UCR is an OOS violation, (2) UCR payment is due immediately, and (3) UCR filings are made with FMCSA. This company is based in Texas.

Avelino indicated a more detailed Agenda will be forthcoming for the San Diego meeting in February.

Woody Chambers asked Rick Schweitzer and Scott Morris the status of the RFP for a Management Company for the financial affairs of UCR. Rick Schweitzer was not on the call. Scott indicated he has some sample RFP's which he has forwarded to Rick and Adam. Scott is trying to coordinate a time when all three of them can get together.

Future Board Meetings:

November 17th, 2016 12:00 PM EST
December 15th, 2016 12:00 PM EST
February 5th thru 7th, 2017 (San Diego, CA)
March 16th, 2017 12:00 PM EST
June 3rd thru 7th, 2017 (Santa Fe, NM)

Minutes approved by the UCR Board on November 10, 2016.
Tina Thurman, UCR Board Member

Exhibit A – Meeting Agenda
Exhibit B – Board Meeting Minutes
Exhibit C – UCR Renewals 2016 vs. 2017
Exhibit D – August Financial Report
Exhibit E – Iteris UCR Universe vs. UCR Board Universe